

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-048114-157

**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED:**

**BLOOM LAKE GENERAL PARTNER
LIMITED, QUINTO MINING
CORPORATION, 8568391 CANADA
LIMITED, CLIFFS QUÉBEC IRON
MINING ULC, WABUSH IRON CO.
LIMITED AND WABUSH RESOURCES
INC.**

Petitioners

- and -

**THE BLOOM LAKE IRON ORE MINE
LIMITED PARTNERSHIP, BLOOM LAKE
RAILWAY COMPANY LIMITED,
WABUSH MINES, ARNAUD RAILWAY
COMPANY AND WABUSH LAKE
RAILWAY COMPANY LIMITED**

Mises-en-cause

- and -

FTI CONSULTING CANADA INC.

Monitor

**EIGHTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited (“**Bloom Lake GP**”), Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended from time to time, the “**Bloom Lake Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Quebec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Bloom Lake Petitioners until February 26, 2015, (the “**Bloom Lake Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Bloom Lake Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**Bloom Lake LP**”) and Bloom Lake Railway Company Limited (together with Bloom Lake LP, the “**Bloom Lake Mises-en-Cause**” and together with the Bloom Lake Petitioners, the “**Bloom Lake CCAA Parties**”). The proceedings commenced under the CCAA by the Bloom Lake CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.

2. On May 20, 2015 (the “**Wabush Filing Date**”), the CCAA Proceedings were extended to include Wabush Iron Co. Limited (“**WICL**”), Wabush Resources Inc. (“**WRI**” and together with WICL, the “**Wabush Petitioners**”), Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively the “**Wabush Mises-en-Cause**” and together with the Wabush Petitioners, the “**Wabush CCAA Parties**”) pursuant to an initial order (as amended from time to time, the “**Wabush Initial Order**”) providing for, *inter alia*, a stay of proceedings against the Wabush CCAA Parties until June 19, 2015, (the “**Wabush Stay Period**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.
3. The Bloom Lake Stay Period has been extended from time to time. Pursuant to an Order of Mr. Justice Hamilton J.S.C., granted on April 17, 2015 (the “**April 17 Stay Order**”), the Bloom Lake Stay Period was extended to July 31, 2015. Pursuant to an Order of Mr. Justice Hamilton J.S.C., granted on June 9, 2015 (the “**Wabush June 9 Order**”), the Wabush Stay Period was extended to July 31, 2015 (the Bloom Lake Stay Period and the Wabush Stay Period together being the “**Stay Period**”).
4. Also on April 17, 2015, Mr. Justice Hamilton J.S.C. granted the following Orders:
 - (a) An Order approving, as it relates to the Bloom Lake CCAA Parties, a sale and investor solicitation process (as may be amended from time to time, the “**SISP**”) involving the business and assets of the Bloom Lake CCAA Parties and the Wabush CCAA Parties (the “**SISP Order**”);
and
 - (b) An Order (the “**Bloom Lake Sale Advisor Order**”):

- (i) Approving the engagement of Moelis & Company LLC (“**Moelis**”) pursuant to the terms of the engagement letter between Moelis, CQIM, Bloom Lake GP and others dated March 23, 2015 and effective January 27, 2015 (the “**Moelis Engagement Letter**”); and
 - (ii) Creating a charge over the property of each Bloom Lake CCAA Party securing the Monthly Retainer Fee, Transaction Fees (as such terms are defined in the Moelis Engagement Letter) and expenses reimbursable pursuant to the Moelis Engagement Letter payable by each Bloom Lake CCAA Party, on a several basis, to a maximum of US\$8 million (the “**Bloom Lake Sale Advisor Charge**”).
5. In addition to extending the Wabush Stay Period, the Wabush June 9 Order, *inter alia*:
- (a) Declared that each of the Wabush CCAA Charges shall rank ahead of all hypothecs, mortgages, liens, security interests, priorities, trusts, deemed trusts (statutory or otherwise), charges, encumbrances or security of whatever nature or kind (collectively, the “**Encumbrances**”) affecting the Property of the Wabush CCAA Parties whether or not charged by such Encumbrances, with the exception of the Crown deemed trusts for sources deductions described in Section 37(2) CCAA and the sums that could be subject to a claim under Section 38(3) CCAA;
 - (b) Approved the SISP *nunc pro tunc* as it relates to the Wabush CCAA Parties and approved the amendment and restatement of the SISP to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings;

- (c) Approved the Moelis Engagement Letter *nunc pro tunc* as it applies to the Wabush CCAA Parties; and
 - (d) Created a charge over the property of each Wabush CCAA Party securing the Monthly Retainer Fee, Transaction Fees (as such terms are defined in the Moelis Engagement Letter) and expenses reimbursable pursuant to the Moelis Engagement Letter payable by each Wabush CCAA Party, on a several basis, to a maximum of US\$5 million (the “**Wabush Sale Advisor Charge**”).
6. On June 26, 2015, Mr. Justice Hamilton J.S.C. issued a judgment (the “**June 26 Judgment**”) in respect of a hearing held June 22, 2015 that, *inter alia*:
- (a) Confirmed the priority of the Interim Lender Charge over any and all Encumbrances;
 - (b) Ordered the suspension of payment by the Wabush CCAA Parties of the monthly amortization payments coming due pursuant to the Contributory Pension Plan for Salaried Employees of Wabush Mines, CMC, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company and the Pension Plan for Bargaining Unit Employees of Wabush Mines, CMC, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, *nunc pro tunc* to the Wabush Filing Date;

- (c) Ordered the suspension of payment by the Wabush CCAA Parties of the annual lump sum "catch-up" payments coming due pursuant to the Contributory Pension Plan for Salaried Employees of Wabush Mines, CMC, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company and the Pension Plan for Bargaining Unit Employees of Wabush Mines, CMC, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, *nunc pro tunc* to the Wabush Filing Date;
 - (d) Ordered the suspension of payment by the Wabush CCAA Parties of other post-retirement benefits to former hourly and salaried employees of their Canadian subsidiaries hired before January 1, 2013, including without limitation payments for life insurance, health care and a supplemental retirement arrangement plan, *nunc pro tunc* to the Wabush Filing Date.
7. On June 22, 2015, Mr. Justice Hamilton J.S.C. granted an Order (the “**June 22 Rep Order**”) *inter alia*:
- (a) Appointing Michael Keeper, Terence Watt, Damin Lebel and Neil Johnson as representatives (the “**Representatives**”) of the Salaried Members (as defined in the June 22 Rep Order); and
 - (b) Appointing Koskie Minsky LLP and Nicholas Scheib (collectively “**Representative Counsel**”) as legal counsel to the Representatives.
8. On July 17, 2015, Representative Counsel served a Motion for Leave to Appeal certain parts of the June 26 Judgment related to the suspension of payment of certain health and life insurance benefits, the suspension of supplemental pension benefits, as well as the Court’s reasons pertaining to the inapplicability of statutory deemed trusts protecting pensions in the context of CCAA proceedings, in addition to seeking a stay of the provisional execution thereof.

9. To date, the Monitor has filed seven reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor's Eighth Report, is to inform the Court on the following:
 - (a) The receipts and disbursements of the CCAA Parties for the period ending July 10, 2015;
 - (b) The CCAA Parties' revised and extended cash flow forecast for the period July 11 to November 6, 2015 (the "**July 17 Forecast**");
 - (c) The progress of the SISP; and
 - (d) The CCAA Parties' request for an extension of the Stay Period to November 6, 2015 and the Monitor's recommendation thereon.

TERMS OF REFERENCE

10. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties' books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the "**Information**").
11. Except as described in this Report:
 - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

12. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
13. The Monitor has prepared this Report in connection with the CCAA Parties' Motion dated July 17, 2015, returnable July 30, 2015 (the "**July 30 Motion**"). The Report should not be relied on for other purposes.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Bloom Lake Initial Order, the Wabush Initial Order or previous reports of the Monitor.

EXECUTIVE SUMMARY

15. Capitalized terms used in the Executive Summary are as defined in the relevant section of the Report.
16. The Monitor is of the view that:
 - (a) The CCAA Parties have acted, and are acting, in good faith and with due diligence;
 - (b) Circumstances exist that make an extension of the Stay Period appropriate; and
 - (c) Creditors would not be materially prejudiced by an extension of the Stay Period to November 6, 2015.
17. Accordingly, the Monitor respectfully recommends that the CCAA Parties' request for an extension of the Stay Period to November 6, 2015 be granted.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO JULY 10, 2015

THE BLOOM LAKE CCAA PARTIES

18. The Bloom Lake CCAA Parties' actual cash flow on a consolidated basis for the period from March 28 to July 10, 2015, was approximately \$8 million better than the April 2 Forecast, as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
Receipts	2,132	3,746	1,614
Disbursements:			
Payroll & Employee Benefits	(5,658)	(4,812)	846
Termination & Severance	(1,275)	(1,041)	234
Utilities	(2,238)	(1,621)	617
Other Operating Disbursements	(5,967)	(3,945)	2,022
Operating Cash Flows	(13,006)	(7,673)	5,333
Restructuring Professional Fees	(6,188)	(2,959)	3,229
Projected Net Cash Flow	(19,194)	(10,632)	8,562
Beginning Cash Balance	47,602	47,602	0
Projected Net Cash Flow	(19,194)	(10,632)	8,562
Foreign Exchange Gain/(Loss)	0	(566)	(566)
Ending Cash Balance	28,408	36,404	7,996

19. Explanations for the key variances in actual receipts and disbursements as compared to the April 2 Forecast are as follows:
- (a) The favourable variance of approximately \$1.6 million in receipts is a permanent favourable variance of approximately \$1.5 million resulting from accounts receivable collections and government reimbursements which had not been included in the April 2 Forecast due to uncertainty on collectability and timing of collection and approximately \$0.1 million from the sale of certain equipment;

- (b) The favourable variance of approximately \$0.9 million in payroll and employee benefits is primarily a timing variance that is expected to reverse in future periods;
- (c) The favourable variance of approximately \$0.2 million in severance and termination is a combination of a permanent variance arising as certain headcount reductions were not required due to employee resignations and a timing variance arising from the deferral of certain scheduled headcount reductions;
- (d) The favourable variance of approximately \$0.6 million in utility costs is a combination of a timing variance of approximately \$0.2 million arising from the timing of invoicing and a permanent variance of approximately \$0.4 million as a result of lower than forecast consumption;
- (e) The favourable variance of approximately \$2.0 million in other operating disbursements consists of favourable permanent variances totalling approximately \$2.2 million as a result of lower than forecast requirements for maintenance and repairs, contractors and transportation and a favourable timing variance of approximately \$0.5 million in respect of environmental related activities, offset by a permanent adverse variance of approximately \$0.7 million in respect of insurance costs and non-restructuring professional fees;
- (f) The favourable variance of approximately \$3.2 million in aggregate professional fees is believed to be comprised of a combination of timing variances of approximately \$1.7 million that are expected to reverse in future periods and a permanent variance of approximately \$1.5 million; and

- (g) The foreign exchange loss results as the Bloom Lake CCAA Parties hold certain funds and make certain payments in U.S. dollars and actual exchange rates vary from those used in the April 2 Forecast.
20. The Bloom Lake Initial Order permits inter-company funding between the Bloom Lake CCAA Parties. To date inter-company funding in the amount of approximately \$2.1 million has been advanced from Bloom Lake LP to CQIM since the start of the CCAA Proceedings.

THE WABUSH CCAA PARTIES

21. The Wabush CCAA Parties' actual cash flow, excluding interim financing, on a consolidated basis for the period from May 18 to July 10, 2015, was approximately \$2 million better than the Wabush May 18 Forecast, as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
Receipts	69	503	434
Disbursements:			
Payroll & Employee Benefits	(775)	(1,164)	(389)
Termination & Severance	0	0	0
Contractors	(606)	(77)	529
Utilities	(305)	(297)	8
Other Operating Disbursements	(589)	(160)	429
Operating Cash Flows	(2,206)	(1,195)	1,011
Restructuring Professional Fees	(1,663)	(688)	975
Projected Net Cash Flow	(3,869)	(1,883)	1,986
Beginning Cash Balance	251	1,036	785
Interim Financing Draws	3,750	2,010	(1,740)
Projected Net Cash Flow	(3,869)	(1,883)	1,986
Foreign Exchange Gain/(Loss)	0	29	29
Ending Cash Balance	132	1,192	1,060

22. Explanations for the key variances in actual receipts and disbursements as compared to the Wabush May 18 Forecast are as follows:

- (a) The favourable variance of approximately \$0.4 million in receipts is a permanent favourable variance arising primarily from the sale of housing stock not contemplated in the May 18 Forecast;
- (b) The adverse variance of approximately \$0.4 million in payroll and employee benefits is a permanent variance arising from the payment of vacation amounts that had not been included in the May 18 Forecast due to the uncertainty of the timing of payment;
- (c) The favourable variance of approximately \$0.5 million in contractors consists of a permanent variance of approximately \$0.1 million as certain work was carried out internally rather than being outsourced and timing variances of approximately \$0.4 million that are expected to reverse in future periods;

- (d) The favourable variance of approximately \$0.4 million in other operating disbursements is believed to consist primarily of permanent variances;
- (e) The favourable variance of approximately \$1.0 million in restructuring fees is believed to be comprised of a combination of timing variances of approximately \$0.9 million that are expected to reverse in future periods and a permanent variance of approximately \$0.1 million;
- (f) The favourable variance of approximately \$0.8 million in beginning cash balance arises as a result of certain payments issued prior to the granting of the Wabush Initial Order which had not cleared the bank accounts being stopped as a result of the granting of the Wabush Initial Order and the inclusion of an additional account with a small balance at the Wabush Filing Date that had inadvertently been omitted from the May 18 Forecast.

THE JULY 17 FORECAST

23. The July 17 Forecast is attached hereto as Appendix A. The July 17 Forecast shows a net cash outflow of approximately \$14.2 million for the Bloom Lake CCAA Parties and approximately \$9.9 million for the Wabush CCAA Parties, excluding interim financing, in the period July 11 to November 6, 2015, and is summarized below:

	Bloom Lake CCAA Parties	Wabush CCAA Parties
	\$000	\$000
Receipts	575	239
Disbursements:		
Payroll & Employee Benefits	(3,368)	(1,970)
Termination & Severance	(29)	0
Contractors	0	(2,364)
Utilities	(1,179)	(794)
Other Operating Disbursements	(4,784)	(1,044)
Operating Cash Flows	(8,785)	(5,933)
Restructuring Professional Fees	(5,459)	(4,000)
Projected Net Cash Flow	(14,244)	(9,933)
Beginning Cash Balance	36,404	1,192
Interim Financing Draws	n/a	8,875
Projected Net Cash Flow	(14,244)	(9,933)
Ending Cash Balance	22,160	134

24. There are no significant changes in the key underlying assumptions in the July 17 Forecast as compared to the May 18 Forecast.

PROGRESS OF THE SISP

25. As previously reported, pursuant to the SISP, the Phase I Bid Deadline for the expression of non-binding letters of intent was May 19, 2015 and a number of letters of intent were received on or before that date. In order to protect the integrity of the SISP, specific details in respect of the letters of intent received have been kept confidential.
26. The Phase II Bid Deadline for the submission of binding offers was 5:00 p.m. Montréal Time on July 16, 2015. A number of offers were received prior to the Phase II Bid Deadline, which offers the CCAA Parties and the Monitor are in the process of reviewing. In order to protect the integrity of the SISP, specific details in respect of the offers received will be kept confidential at this time.

27. In parallel with the SISP, the Monitor has obtained proposals for the liquidation of assets. A number of liquidation proposals have been received and are being reviewed by the CCAA Parties and the Monitor in conjunction with their review of the offers submitted under the SISP.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

28. The Stay Period currently expires on July 31, 2015. Additional time is required for the CCAA Parties to complete the SISP and any transactions arising therefrom, to develop and seek approval of a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and to undertake the other activities necessary to complete the CCAA Proceedings. The continuation of the stay of proceedings is necessary to provide the stability needed during that time. Accordingly, the CCAA Parties now seek an extension of the Stay Period to November 6, 2015.
29. The July 17 Forecast demonstrates that, subject to the underlying assumptions thereof, the CCAA Parties have sufficient liquidity to fund the CCAA Parties' operations and the CCAA Proceedings to November 6, 2015.
30. Based on the information currently available, the Monitor believes that creditors of the CCAA Parties would not be materially prejudiced by an extension of the Stay Period to November 6, 2015.
31. The Monitor also believes that the CCAA Parties have acted, and are acting, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
32. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for an extension of the Stay Period to November 6, 2015.

The Monitor respectfully submits to the Court this, its Eighth Report.

Dated this 20th day of July, 2015.

FTI Consulting Canada Inc.

In its capacity as Monitor of

Bloom Lake General Partner Limited, Quinto Mining Corporation,

8568391 Canada Limited, Cliffs Québec Iron Mining ULC,

Wabush Iron Co. Limited, Wabush Resources Inc.,

The Bloom Lake Iron Ore Mine Limited Partnership,

Bloom Lake Railway Company Limited, Wabush Mines,

Arnaud Railway Company and Wabush Lake Railway Company Limited



Nigel D. Meakin
Senior Managing Director



Steven Bissell
Managing Director

Appendix A

The July 17 Forecast

CCAA Parties Cash Flow Projection

Amounts in CAD in thousands

Week Ending Friday Forecast Week	17-Jul-15	24-Jul-15	31-Jul-15	7-Aug-15	14-Aug-15	21-Aug-15	28-Aug-15	4-Sep-15	11-Sep-15	18-Sep-15	25-Sep-15	2-Oct-15	9-Oct-15	16-Oct-15	23-Oct-15	30-Oct-15	6-Nov-15	13-Week Total
Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Cash Flow from Operations																		
Receipts	115	-	-	115	-	-	-	115	-	-	-	115	-	-	-	-	115	575
Payroll & Employee Benefits	(215)	(227)	(177)	(227)	(220)	(227)	(174)	(227)	(220)	(227)	(18)	(383)	(64)	(373)	(8)	(373)	(8)	(3,368)
Termination & Severance	-	-	-	-	(29)	-	-	-	-	-	-	-	-	-	-	-	-	(29)
Utilities	(219)	(45)	-	(6)	(284)	-	-	-	(251)	(39)	-	-	(206)	(129)	-	-	-	(1,179)
Other Operating Disbursements	(807)	(248)	(161)	(614)	(315)	(288)	(111)	(357)	(160)	(277)	(110)	(223)	(266)	(274)	(113)	(243)	(217)	(4,784)
Operating Cash Flows	(1,126)	(520)	(338)	(732)	(848)	(515)	(285)	(469)	(631)	(543)	(128)	(491)	(536)	(776)	(121)	(616)	(110)	(8,785)
Restructuring Professional Fees	(751)	(273)	(283)	(348)	(273)	(273)	(283)	(348)	(273)	(273)	(273)	(358)	(273)	(273)	(273)	(273)	(358)	(5,459)
Projected Net Cash Flow	(1,877)	(793)	(621)	(1,080)	(1,121)	(788)	(568)	(817)	(904)	(816)	(401)	(849)	(809)	(1,049)	(394)	(889)	(468)	(14,244)
Beginning Cash Balance	36,404	34,527	33,734	33,113	32,033	30,912	30,124	29,556	28,739	27,835	27,019	26,618	25,769	24,960	23,911	23,517	22,628	36,404
DIP Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Projected Net Cash Flow	(1,877)	(793)	(621)	(1,080)	(1,121)	(788)	(568)	(817)	(904)	(816)	(401)	(849)	(809)	(1,049)	(394)	(889)	(468)	(14,244)
Ending Cash Balance	34,527	33,734	33,113	32,033	30,912	30,124	29,556	28,739	27,835	27,019	26,618	25,769	24,960	23,911	23,517	22,628	22,160	22,160

Notes:

- [1] The purpose of this cash flow projection is to determine the liquidity requirements of the CCAA Parties during the forecast period.
- [2] Forecast receipts consist of payments in respect of the Mount-Wright Camp Lease Agreement.
- [3] Forecast Payroll & Employee Benefits disbursements are based on actual payroll funding in the period leading up to the forecast period combined with scheduled reductions in staffing.
- [4] Termination & Severance disbursements are based on estimated amounts payable for planned headcount reductions.
- [5] Forecast Utilities disbursements consist primarily of hydro costs to maintain the Bloom Lake operations on care and maintenance mode, and reflect current payment terms, rates and estimated consumption over the forecast period.
- [6] Forecast Other Operating Disbursements reflect the current care and maintenance status of Bloom Lake. The timing of Other Operating Disbursements is assumed to be cash on delivery.
- [7] Forecast Restructuring Professional Fees consist of legal and financial advisor fees associated with the CCAA proceedings based on estimates obtained from legal and professional advisors.

Wabush CCAA Parties Cash Flow Projection

Amounts in CAD in thousands (\$000s)

Week Ending Friday	17-Jul-15	24-Jul-15	31-Jul-15	7-Aug-15	14-Aug-15	21-Aug-15	28-Aug-15	4-Sep-15	11-Sep-15	18-Sep-15	25-Sep-15	2-Oct-15	9-Oct-15	16-Oct-15	23-Oct-15	30-Oct-15	6-Nov-15	Total	
Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Cash Flow from Operations																			
Receipts	-	14	-	49	-	14	-	35	14	-	14	35	14	-	14	-	35		239
Payroll & Employee Benefits	(59)	(168)	(97)	(192)	(36)	(113)	(174)	(107)	(82)	(113)	(82)	(195)	(52)	(136)	(52)	(234)	(82)		(1,970)
Termination & Severance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Contractors	(865)	(8)	(20)	(270)	(239)	(228)	(301)	(271)	(20)	(9)	(21)	(46)	(4)	(15)	(4)	(15)	(31)		(2,364)
Utilities	(139)	-	(2)	(155)	(2)	-	-	(158)	-	(3)	-	(33)	(130)	(8)	-	-	(165)		(794)
Other Operating Disbursements	(99)	(43)	(118)	(58)	(45)	(32)	(77)	(88)	(40)	(40)	(61)	(80)	(51)	(40)	(42)	(76)	(57)		(1,044)
Operating Cash Flows	(1,162)	(204)	(237)	(625)	(321)	(358)	(552)	(588)	(127)	(164)	(150)	(318)	(222)	(197)	(83)	(325)	(300)		(5,933)
Restructuring Professional Fees	(600)	(400)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)		(4,000)
Projected Net Cash Flow	(1,762)	(604)	(437)	(825)	(521)	(558)	(752)	(788)	(327)	(364)	(350)	(518)	(422)	(397)	(283)	(525)	(500)		(9,933)
Beginning Cash Balance	1,192	180	200	138	188	167	109	107	194	117	128	154	136	214	191	158	134		1,192
Projected Net Cash Flow	(1,762)	(604)	(437)	(825)	(521)	(558)	(752)	(788)	(327)	(364)	(350)	(518)	(422)	(397)	(283)	(525)	(500)		(9,933)
Interim Financing	750	625	375	875	500	500	750	875	250	375	375	500	500	375	250	500	500		8,875
Ending Cash Balance	180	200	138	188	167	109	107	194	117	128	154	136	214	191	158	134	134		134
Interim Financing - in USD																			
Beginning Balance	2,000	2,750	3,375	3,750	4,625	5,125	5,625	6,375	7,250	7,500	7,875	8,250	8,750	9,250	9,625	9,875	10,375		2,000
Draws / (Repayments)	750	625	375	875	500	500	750	875	250	375	375	500	500	375	250	500	500		8,875
Ending Balance	2,750	3,375	3,750	4,625	5,125	5,625	6,375	7,250	7,500	7,875	8,250	8,750	9,250	9,625	9,875	10,375	10,875		10,875
Interim Financing - in USD																			
Beginning Balance	1,600	2,200	2,700	3,000	3,700	4,100	4,500	5,100	5,800	6,000	6,300	6,600	7,000	7,400	7,700	7,900	8,300		1,600
Draws / (Repayments)	600	500	300	700	400	400	600	700	200	300	300	400	400	300	200	400	400		7,100
Ending Balance - in USD	2,200	2,700	3,000	3,700	4,100	4,500	5,100	5,800	6,000	6,300	6,600	7,000	7,400	7,700	7,900	8,300	8,700		8,700

Notes:

- [1] The purpose of this cash flow projection is to determine the liquidity requirements of the Wabush CCAA Parties during the forecast period.
- [2] Forecast receipts consist of storage fees from the Bloom Lake CCAA Parties for the storage of certain assets at Pointe Noire and are based on the amounts and payment terms of the underlying agreement. Forecast receipts also include proceeds from the sale of certain residential properties located in the town of Wabush, NFL.
- [3] Forecast Payroll & Employee Benefits disbursements are forecast based on current staffing levels and recent payroll amounts, and do not include any payments in respect of post-employment benefits nor other restricted payments described in section 25(h) of the Interim Financing Term Sheet.
- [4] Forecast disbursements in respect of Contractors consist primarily of environmental monitoring and containment activities related to the Scully mine and the Pointe Noire facilities, and are assumed to be paid when services are rendered.
- [5] Forecast Utilities disbursements consist primarily of hydro costs to maintain the Scully Mine and Pointe Noire facilities and reflect current payment terms, rates and estimated consumption over the forecast period.
- [6] Forecast Other Operating Disbursements reflect costs of on-going monitoring and maintenance of the Scully mine and Pointe Noire facilities not reflected in other line items. The timing of Other Operating Disbursements is assumed to be cash on delivery.
- [7] Forecast Restructuring Professional Fees consist of legal, financial and sale advisor fees associated with the CCAA proceedings based on estimates obtained from the relevant advisors.
- [8] The cash flow projection includes draws/(repayments) under the Interim Financing Agreement between the Wabush CCAA Parties and Cliffs Mining Company.
- [9] Forecast amounts denominated in U.S. dollars are converted to Canadian dollars at the rate of USD 0.80/CAD.